- This article is being reprinted with permission from Oil Price Information Service (OPIS). For more information on OPIS's news services, please visit <u>www.opisnet.com/news.aspx</u> or call 888.301.2645.

2017-01-20 09:46:39 EST

***New York City Eyes Cutting GHG via Use of Renewable Diesel: Official

SAN DIEGO -- New York City is looking toward the use of renewable diesel to help decrease greenhouse gas (GHG) emissions, according to an official.

Keith Kerman, deputy commissioner and chief fleet officer for New York's Department of Citywide Administrative Services, told OPIS that the move could result in the use of 1 million gallons by the end of this year.

"Mayor (Bill) de Blasio has challenged us through something called NYC Clean Fleet, an environmental initiative involving the city's municipal fleet, which is the largest in the United States, to eliminate 50% of all greenhouse gas emissions by 2025," Kerman explained following his appearance on a panel at the 2017 National Biodiesel Conference and Expo. "It is something we are aggressively moving on."

A total of 60% of the fuel used in the city for municipal vehicles like sanitation trucks and fire engines is diesel fuel, according to Kerman.

"So if we are going to achieve that goal, we are going to have to transfer our diesel fuel," he said. "We are already moving tremendously in biodiesel, and 20% of all of the diesel that we use in municipal vehicles is biodiesel, but obviously that won't get us to a 50% greenhouse gas reduction."

City officials watched what San Francisco and others on the West Coast have been doing with renewable diesel, Kerman said, "and we want to build a renewable diesel market in New York City."

"We've never used renewable diesel, so the first step is to get a program going at some level, prove it works, show that the vehicles will operate with it, get a better understanding of it," he added. "If that goes well, then would come formal contracts and trying to institutionalize it."

The city would not produce the fuel, but act as a consumer.

"We plan to launch a demonstration project with renewable diesel -- probably about 1 million gallons in the first year and then more as we institutionalize it," he said.

The challenge is to get the supply into the area, according to Kerman.

"We are talking to some of the suppliers of renewable diesel about how we can introduce their product into the Northeast and talk through some of the barriers and issues they have to operate in the Northeast," he said.

"But we want to send the signal that we are interested in renewable diesel, we think it can be a big part of what we are trying to do on the environmental side and we are going to start with this demonstration contract." The city is looking to see if companies can take some of the supply that they are sending to the West Coast and start introducing it in the Northeast, according to Kerman.

"If we can do that well enough and establish that this works," he said, "then maybe that would build enough incentive for some of these companies to say, 'We need to start manufacturing renewable diesel on the East Coast.'"

--Michael Schneider, mschneider@opisnet.com

Copyright, Oil Price Information Service